

STATE OF THE DESTINATION

Mapping the international destination industry

This column is inaugurated as a direct response to the tragic events of 11 September. In the previous issue of *Locum Destination Review*, published just days before the terrorist attacks, we ran a comparative study of London and New York City as the world's leading two city destinations, which included an article by Cristyne L. Nicholas, CEO and President of NYC & Co., the organisation responsible for promoting tourism to New York City. We at Locum would like to take this opportunity to express our deepest sympathies to Cristyne, her colleagues at NYC & Co., and everyone in that great city at this time.

It is only right and fitting that this first column reflects upon the unprecedented challenge to transatlantic tourism laid down on 11 September.

In the weeks following the attacks, New York City, along with most major US cities, experienced massive drops in visitor numbers. International airports at either end of transatlantic air routes lay almost bare. In London, according to BAA's figures, North Atlantic traffic through Heathrow and Gatwick airports dropped 25.9% in September and continued to fall in October, although not significantly. As we reported in our previous issue ('Big apple, rich harvest'), the UK is the single greatest source of international visitors to New York City (over one million a year). Taking this into account, along with the fact that NYC's visitor pattern is normally peaking during autumn and winter, it is not difficult to imagine the hardship experienced by all elements of the city's destination management: airports, public and private transport providers, hotels, restaurants, theatres, museums, attractions, and many others. The hotel chain Six Continents, for example, whose properties include the Holiday Inn at JFK airport and the Crown Plaza at La Guardia, revealed a £17 million loss in profits. The all-important revpar (revenue per available room) for NYC as a whole in October 2001 was down 40 per cent from a year ago.

In London, too, the pinch was being felt. Hilton Group's performance in September and October was typical of the London market. The revpar at its five-star London hotels, the

Hilton Park Lane and the Langham, fell 31.7 per cent during this period. The Office for National Statistics announced a 19% drop in visits to the UK from North America between August and September. Given the fact that nearly one-fifth of all money spent in the UK by international tourists comes from North America, this came as particularly grim news to a UK market already suffering the after-effects of Foot and Mouth.

These are the unavoidable consequences of a massive assault not just on a globally important city but also, indirectly, on its partners and their own economies. As is so often the case in times of crisis, however, the response on all sides to the situation has been nothing short of remarkable. The Mayor of New York City, Rudolph Giuliani, has rightly been praised for his compassion, dignity and leadership in dealing firstly with the attack on the World Trade Centre and then the Queens air crash. Moreover, he has also proven himself once again to be man of deed and not just word. As Cristyne L. Nicholas reported in our previous issue, 'Mayor Rudolph Giuliani is the man who has been largely responsible for engineering the top-down transformation of New York City over recent years.' On 17 September, in the midst of the chaos following the attack, he found the time to issue a statement on the NYC & Co. website, urging tourists to return to the city: 'I encourage people who want to help. I have a great way of helping: go to a restaurant, a play. The life of the city goes on.'

London's Mayor, Ken Livingstone, has also distinguished himself. His public show of support for New York City on behalf of all Londoners was cemented through an unconventional - and surely unprecedented - act of solidarity: placing an advertisement from the people of London in the *New York Post*. Reinforcing the message of sympathy by calling on a slogan familiar to all New Yorkers, it said simply, 'We ♥ New York.' Mayor Livingstone has also been quick to provide financial backing to London's tourism, leisure, hospitality and cultural sectors. The London Tourist Action Group he has brought together, which includes the London Tourist Board, BAA, London First and the London Development Agency, has secured

WE ♥ NEW YORK.

a £4 million package to help businesses affected by the downturn in tourism (£3 million from the LDA itself and a further £1 million from DCMS). Teresa Wickham, Chair of the London Tourist Board and Convention Bureau, said she was 'delighted that the Mayor has secured substantial funding to support the tourism industry. The industry has shown in the past that it is resilient in difficult times, and this is the first crucial step for recovery.'

Another boost to London's destination economy has been provided by the announcement of a Strategic Tourism Review for London. Appointed by the London Development Agency, Locum Destination Consulting is undertaking the review, the main aims of which are to examine international perceptions of London, to discover how London's tourism service providers view current performance, to review the political management and funding of tourism in the capital, and to identify new opportunities for the enhancement of the city's tourism product and services.

In New York City, meanwhile, a range of excellent initiatives have been launched to tempt visitors back. Among these have been 'UKwithNY', a two-week programme of nearly 200 events and presentations showcasing British design and culture. Created by the UK's Design Council, sponsored by British Airways and others, and staged in venues throughout the city, the programme had been in planning for nearly three years, under the original title 'UKinNY'. Emerging initially from discussion amongst New York-based British retailers about how to raise their profile in the city, the programme's name and focus was changed in response to 11 September. Acting as a powerful symbol of British allegiance with the US in its hour of need, the programme's more commercial aspects were dropped, in favour of cultural events that would provide New Yorkers with interesting diversions as a means of fostering the healing process.

'Restaurant Week', an NYC & Co. initiative described by Cristyne L. Nicholas in her piece in our previous issue, has again proved successful at drawing punters back into the city's eating establishments. In the last two weeks of October, Restaurant Week resulted in a 46% increase in patrons and a 39% increase in sales at participating restaurants, each of which offered fixed price three-course lunch menus for \$20 and dinner menus for \$30, a fraction of their usual cost. Welcoming the news, Cristyne L. Nicholas said: 'The results of this special promotion speak for themselves. We as New Yorkers and visitors have the ability to revive our city's great restaurant industry by making a point to eat out.'

Two developments in the aviation sector have provided New York City and London with their own reasons for celebration.

First, Concorde resumed flights into New York on 7 November. Mayor Giuliani's diplomacy and gratitude to his British colleagues came to the fore once again: 'This is a true example of continued confidence in New York as a centre of paramount importance to the international business community. The return of this flagship aircraft to our city further cements the ties of friendship and support for New York and the United States so strongly and movingly expressed by the leaders of Great Britain since the tragic events of 11 September.' Second, BAA have finally received the good news they have been awaiting for seven years. In his interview with us in the previous issue of *Locum Destination Review*, Mike Hodgkinson, Chief Executive of BAA, had stressed the need for an additional terminal at Heathrow in order for it to remain Europe's main hub for international travel and for the UK to remain the continent's preferred destination for investment. On 20 November, the Government finally approved the development of Terminal 5. Reacting to the decision, Mr Hodgkinson said: 'It means that the UK will get the world-class, twenty-first century international gateway it needs and that the long-term prospects for London's business community and tourist industry have been significantly enhanced!' This boost for the longer term is particularly welcome for BAA in the face of its short-term challenges post-11 September, which include a bill for increased security that is expected to cost it approximately £10 million this year alone.

While we in the UK destination industry have faced our own challenge this year in the form of Foot and Mouth, our American colleagues have had disaster visited upon them *in extremis*. But thanks to the dignity of its leaders, the professionalism of its managers, and the strength of its people, New York City has come through the terrible events of September 2001 with its head held high. The massive immediate effects of the terrorist attacks have been countered through sensible, concerted initiatives on the ground in New York. London has played its own modest part in rebuilding market confidence in the Big Apple. Through tragedy has emerged a new opportunity to reinforce transatlantic ties, and to boost tourism to both New York and London. A long challenge lies ahead, and in that endeavour New York will be denied the services of Rudolph Giuliani, to be replaced as Mayor by Michael Bloomberg on 1 January 2002. For those services many can be grateful: New Yorkers his actions, Londoners the lessons he has taught.